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**Devolution and Party Organisation in Britain:  
How Devolution has changed the Scottish and Welsh Labour  
Parties**

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## Introduction<sup>1</sup>

Devolution raises the issue of potential conflicts between central government and the Scottish Executive and Welsh Assembly. Currently such conflicts would inevitably raise issues of intra-party discipline and solidarity as long as the Labour party remains the controlling forces in those two nations. Prior to devolution policy in Scotland and Wales was closely aligned with central policy as collective responsibility in the Westminster Cabinet bound the Scottish and Welsh secretaries to centrally-determined policies, though in practice both had some discretion to adapt policy to local circumstances. Now the new elected bodies enjoy considerable autonomy from central government in shaping policy in key areas such as health and education. The Welsh Assembly can pursue its own policies within the broad framework of Westminster primary legislation and its block spending allocation, while the Scottish Parliament has the right to formulate policy in those areas which have not been reserved for Westminster. Meanwhile, the unspoken assumption behind the settlement was that Labour party discipline and solidarity would remain a mechanism of control and coordination between the centre and Wales and Scotland (Laffin and Thomas 1999).

This paper reports one part of a larger investigation into how the Labour Party is acting as such a mechanism and the implications for the party, both at the British level and in Scotland and Wales, of the new challenges involved in holding onto power at the centre and governing those nations. Political parties perform key roles within all political systems based on competitive elections, including the identification of policy priorities and the means to accomplish them, the nomination of candidates for elected positions and the recruitment of a team to fill government positions. It follows that the two new legislatures will be powerfully shaped by the nature of the party system, and especially by the Labour Party given its strong electoral base in both nations.

Two key sets of post-devolution questions are posed: firstly, what has been the impact of the new constitutional settlement upon the structure and functioning of the Labour Party in Scotland and Wales? Secondly, to what extent is devolution unleashing new political forces militating towards a devolved party structure? How have Scottish and Welsh party leaders adapted their institutional structures to the new responsibilities of devolution? And how are they dealing with the Labour centre?

The location of power and authority within the Labour Party has long been a subject for lively debate both within its own ranks and amongst academic commentators. One prominent theme has been the struggle between the Parliamentary Party (PLP) and the wider Party over policy. The creation of representative institutions in Scotland and Wales raises the same issue within those two nations. Labour's power structure has traditionally been conceptualised around two models, the party democracy model, which assumed that power was ultimately vested in the rank-and-file, as articulated in the theory of conference sovereignty; and the parliamentary model (identified with Mackenzie 1963) which saw power as necessarily vested in the parliamentary leadership.

However a close look at the historical record indicates that this conceptualisation oversimplifies the issues of power and democracy within the party. As pluralist theorists have argued a leadership power monopoly can only be effectively outweighed by the splintering of

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power among diverse bodies each with the capacity to restrain the other. In short, the real question in political party organisation is the extent to which power is institutionally *concentrated* (oligarchical) or *dispersed* amongst a variety of bodies (pluralistic). Labour's power configuration has varied over time, though until recently tending to the pluralist rather than the elitist or oligarchical end of the spectrum. Writing in 1978 Minkin acknowledged the 'wide and institutionalised power differential between those operating at leadership level and those who made up the rank and file'. Equally, however, he noted that the unions, the NEC and Conference - each with their own distinctive lines of election, accountability and constitutional rights and duties - 'encouraged a diffusion of power and circumscribed the position of the parliamentary leadership' (Minkin 1978: 317). New Labour organisational changes have tilted the balance towards the elitist pole, though pluralist elements still survive.

The question posed here, then, is: to what extent have the newly refashioned institutions of Scottish and Welsh Labour conformed, in their structure and manner of operation, to the older pluralist or the more recent New Labour elite models? The distinction between the horizontal and vertical dimensions of power is key. A distinction between the horizontal and vertical dimensions of power elucidates the issue. The horizontal dimension refers to the degree to which power at one particular territorial level is *concentrated* or *diffused*, the vertical to the degree to which it is spatially *centralised* or *decentralised*. McKenzie (1963) assumed that a centralised Labour party was the inevitable result of the centralised and unitary British state. Is there evidence that devolution to Scotland and Wales has triggered parallel changes within the Party organisations of those nations as many commentators predicted (such as Mitchell and Seyd 1999; Lynch 1996)?

Any exploration of the impact of devolution on Labour must be placed within the context of the radical overhaul of Labour's institutional structure which occurred in 1997. Essentially policy development, formerly the constitutional prerogative of Labour's National Executive Committee and its annual Conference, was transferred to the new National Policy Forum, although Conference formally retained the last word (Taylor 1999; Shaw 2002). The 1997 *Partnership in Power* reforms were designed to prevent institutionalised strife recurring between a right-controlled Labour Government and a left-controlled NEC and Conference by locking-in co-operation between the two but in a way that – in practice – institutionalised the former's supremacy. Under *Partnership in Power*, Scotland and Wales acquired their own policy forums, a development which occurred alongside reforms with a strong centralising emphasis including the reform of the party's ideological basis in Clause 4 of its constitution, reform of the Party's National Executive Committee (NEC), the centralisation of the party's membership lists and the reform of Constituency Labour Parties (CLPs) (Taylor 1997: 168-91, 178; and 1999: 18-9; Baston 2001: 164). The Scottish Policy Forum (SPF) and Welsh Policy Forum (WPF) were established as the one significant concession to devolution within the party. These forums have responsibility for deciding policy for the new representative bodies. But in this case the issue was complicated by the vertical dimension of power. Combining the vertical and horizontal dimensions of intra-party power presents a complex picture and one which has so far not been addressed in the literature. The appropriate question here is not 'who has power' but 'who has power over what, to do what'? This paper seeks to supply an answer.

### **The New Scottish and Welsh Political Systems**

Even prior to devolution Scotland and Wales had begun to evolve their own distinctive party

systems in which Labour's main competitors were the nationalist parties rather than the Conservatives, with the Liberal Democrats as a significant third force. At the first devolved elections in 1999 proportional representation (largely introduced to combat the criticism that devolution on a first-past-the-post system would embed permanent Labour rule in Scotland and Wales) contributed to Labour's failure to win an overall majority in the two nations. Labour formed coalitions with the Liberal Democrats (in Wales after a delay of 17 months). After the 2003 elections Scottish Labour renewed the coalition but in Wales Labour won back seats from the nationalists and formed a majority administration. The coalitions operated smoothly and, significantly, no ideological differences have strained relations, reflecting the broadly social democratic consensus suffusing Scottish and Welsh politics. However, it should be noted that on the two key issues causing the greatest tension between Edinburgh and London, student finance and personal care for the elderly, Holyrood's distinctive stance was largely a result of Liberal Democratic initiatives.

The distinctiveness of the Scottish and Welsh party systems has important consequences. Firstly, Scottish and Welsh Labour can no longer simply replicate the national party manifestos, as happened in the 1999 elections, but must adapt their election platforms to meet the exigencies of party competition in their nations. Secondly, Labour's main political competition, the nationalist parties, are competing across the same social democratic territory, significantly to the left of that of the Westminster 'English' parties. The nationalist parties have consolidated their position as the official oppositions, even despite their poor performance in May 2003. Consequently Scottish and Welsh electoral politics is no longer driven by, what McAllister describes as the 'dynamics of one-partyism' (McAllister, I. 1981).

Coalition government in both nations has not wrenched the Party to the right. Indeed the Liberal Democrats could plausibly be placed on Labour's left rather than its right. The combination of coalition government plus different electoral and party systems confronts Scottish and Welsh Labour with a different set of pressures and strategic choices than the Party nationally and they require freedom to manoeuvre to respond effectively to those choices. In both Scotland and Wales *Partnership Agreements* provided for two Liberal Democrat cabinet seats and led to a raft of Liberal Democrat policies being included in the respective administration's policies (Thomas 2003: 185). So much so that the 2003 elections were characterised by disputes between the two parties over the ownership of many policies. Nevertheless, both coalitions worked remarkably well, despite significant hostility towards the coalition among both Labour and Liberal Democrat backbenchers in the two countries (Laffin et al. 2004; Taylor, B. 2003: 72-87).<sup>2</sup>

### **The Scottish and Welsh Labour Parties: Organisation and Culture**

Traditionally Welsh and Scottish Labour Parties have been integral parts of a unitary Labour Party focussed on winning power in Westminster. Despite having organisational structures (Executive Committees, Conferences, and Policy Forums) and policy-making processes separate from the British party, administratively they are just branch offices of the British Party with general secretaries, responsible to the British General Secretary and, via that office, to the NEC (notionally but in practice to Number 10). The NEC and senior national

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<sup>2</sup> Interestingly, the First Minister sprung the coalition on the Welsh party. The Assembly Labour Group acquiesced and approved the coalition proposals after the Cabinet had agreed them, with the endorsement of the Welsh Executive apparently received in advance (Osmond 2000: 6). Many local government leaders and MPs, who were not consulted (with the exception of Paul Murphy the then Welsh Secretary), were highly critical of coalition.

officials select, pay and can direct the party staff in both headquarters. Any senior official who forfeits the confidence of the national leadership would quickly find his or her position untenable. Equally, ultimate control over the raising and spending of money lies with London. Such arrangements may appear incongruous (cf. Mitchell and Syed 1999; Lynch 1996: 13), yet there are no strong demands from within the Scottish or Welsh Parties for greater organisational devolution. The special advisors and group support staff, supporting the Labour Groups and ministers in the Assembly and Parliament, are funded from the budgets of ministers and Labour AMs and MSPs, and so owe no formal allegiance to the central party. However this has not given rise, so far, to any institutional friction between the central party machine and the new apparatus of devolved power. Both the Scottish and Welsh general secretaries act in close liaison with their First Ministers, while party officials work closely with Labour Parliamentary and Assembly support staff researchers, as one Scottish observer commented they act as ‘virtually part of the same team’.

In the recent past ideological tensions have racked the Scottish party. Two left-wing ginger groups, the Labour Co-ordinating Committee (LCC) in the 1980s and Scottish Labour Action (also strongly pro-devolution) in the 1990s won extensive left-wing representation on the Scottish Executive Committee (SEC) in the early 1990s. Consequently the SEC, unlike both its national and Welsh counterparts, continued to be a battleground between the left and the right. Indeed opposition to Blair’s initiative was on such a scale that the then Secretary of the Scottish Party, Helen Liddle, was given the responsibility for running the campaign for the new Clause Four (interview, Helen Liddell, 7 Nov. 2003).<sup>3</sup> Not unexpectedly, Blair felt bound to confront the left at the 1995 Scottish Party conference to persuade the Party to endorse his new ‘Clause Four’. He became ‘determined to seize control of the Scottish Executive to ensure that an Edinburgh parliament does not pursue an old Labour agenda’ (*New Statesman* 14 Feb. 1997). In early 1996, prominent figures on the party’s right and centre, including certain union officials, organized against the left in ‘the Network’ (with the discrete support of Jack McConnell, then Scottish General Secretary) with the object of gaining control of the SEC to ensure that ‘those who hold office in the party have a healthy relationship with the Labour government’ (Network document cited by *Scotsman* 29 Jan. 1997). The Network transformed the political complexion of the Executive, securing a majority and ousting seven out of the eight targeted left-wingers (*Herald* 10 March 1997). The British leadership’s aim of preventing the SEC operating as a left-wing countervailing force to both the Scottish and British Labour administrations was realised.

In contrast, neither the Welsh Party nor its Executive has been riven by comparable ideological divisions. Rather the Welsh party has split along devolutionist-unionist lines, with even now many senior political figures outside the Assembly seeing nationalism as a distraction from the Westminster contest. The Welsh Labour Party has long been characterised by weak party organisation and limited grassroots participation and, since the 1960s, social and economic change has also weakened the trade unions as power centres within Welsh Labour (McAllister 1981: 79-81, 82). Consequently, the Welsh party has developed many of the features associated with one-party rule, reflected in the frequent resort to ‘favoured son’ successors in the party organisation. Thus the WEC has been a force for entrenching traditional ‘one-partyist’ attitudes. Only recently have professional values and ‘modernisation’, driven by New Labour from the centre, begun to overturn this cosy localism and community-based paternalism (Laffin *et al.* 2004).

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<sup>3</sup> This entailed an energetic campaign to mobilise support for the new Clause Four within the constituencies and astute management of the Scottish Conference which debated it (interview Helen Liddell, 7 Nov. 2003).

## Candidate Recruitment and Selection

This contrast between a Welsh party, largely unaffected by ideological differences, and a Scottish party, with significant ideological differences, has been evident in the candidate selection processes. Devolution meant that completely new selection procedures could be adopted. Both parties adopted closed candidate lists from which constituency parties (CLPs) could select. The official objects of these lists were firstly to raise candidate calibre – in party by discouraging the adoption of established local government notables whose longevity in office was not seen as always ‘matched by their talents’ – and, secondly, to improve the prospects of selection for women candidates and raise candidate calibre (Bradbury *et al.*, 2000: 161; Shaw 2001: 38; Laffin *et al.* 2004).

In Scotland the process for nominating candidates for the first elections proved highly controversial. Donald Dewar sought to create a new breed of Labour politicians in his own mould and kept ‘a tight grip’ on the process, even actively discouraging MPs from throwing their hats in the ring (interviews with George Foulkes MP, Rosemary McKenna MP, Mike Connarty MP). Critics claimed that the process was effectively a system of political screening to exclude political ‘undesirables’, although the selectors themselves insisted that quality was the overriding consideration. High profile left-wingers who lacked powerful political allies were particularly at risk. Dennis Canovan was one but many others were also excluded. Consequently the screening system meant that, despite having over twice the number of seats to contest and nearly 100 more applicants, Scotland had only 3 more on its panel than did Welsh Labour (Table 1). Whilst Wales had a higher number of applicants per seat than Scotland, over 7 as opposed to around 4, this does not explain why Scottish CLPs were left to choose from a pool of 1.3 candidates per seat, while Welsh CLPs had nearly 3 candidates for every seat on the approved panel. Many in Wales would be surprised to hear that their candidates so far exceeded the calibre of their Scottish counterparts. Thus Welsh CLPs still enjoyed considerable scope in making selections, while Scottish CLPs found themselves severely constrained by the panel approval process as the Labour establishment sought to minimise as far as was politically feasible the numbers of potential left-wing ‘troublemakers’ in the new Parliament..

Table 1: Labour Party Candidate List Applicants Scotland and Wales 1999

	Scotland	% seats	Wales	% seats
Applications	534	414	438	730
Interviewed	326	253	315	525
Panel	167	129	164	273
Seats contested	129	100	60	100

In Wales greater controversy focused on ‘twinning’, an attempt to ensure equal selection of women and men candidates in constituency seats by pairing CLPs together, requiring that members of paired CLPs should select one man and one woman. Many long-serving constituency activists questioned this challenge to ‘constituency sovereignty’ and many women selected experienced subsequent resentment (Edwards and Chapman 2000). To prevent a repetition of such controversy, in the 2003 selection process, the party adopted the ‘affirmative nomination’ procedure, first used in the 2001 General Election as a means to reduce the number of seats likely to be contested (Butler and Kavanagh 2002: 187). Thus in 2003 sitting AMs had to be approved by at least half of their CLP membership or face reselection, but not a single sitting AM faced reselection. The Party then had 16 vacancies, 3

resulting from retirements and 13 which Labour had failed to win in 1999. Of these the Party required 6 constituencies to ‘volunteer’ for all-women shortlists to maintain Labour women AM numbers. The necessary procedures were easily agreed despite some residual acrimony over ‘constituency sovereignty’. Labour officials divided the vacant constituencies into the 8 most winnable and the 8 least winnable seats. Then three constituencies in each were asked to agree to all-women shortlists. Consequently, following the 2003 Assembly election, the Labour Group had a majority of women and the Welsh Assembly became the first elected assembly in the world to have equal numbers of men and women.

### **The Scottish and Welsh Policy Processes: Forums and Conference**

The advent of the Scottish and Welsh policy forums has limited the policy roles of the SEC and WEC, mirroring developments effecting the NEC. This development is more significant in Scotland where Executive membership has formed an important career step for ambitious party activists, whereas such activists in Wales have avoided an Executive seen as trapped in old style Labour politics. Certainly these executives are now less likely to be the focuses of party dissension.

How do the forums work? The Scottish and Welsh forum processes are divided into three stages, following the NPF. In the first stage, position documents are sent out for consultation. The policy commissions (comprising ministers, SEC or WEC representatives, the regional policy forum and an elected representative, such as an MP or councillor) consider submissions, from CLPs, local *ad hoc* policy forums and affiliates. The commissions then formulate second stage documents for Conference, which are again sent out for consultation. The subsequent responses are drafted into third stage documents, distributed to Policy Forum members for specific amendments. The resulting documents are finally debated at a NPF meeting where an amendment receiving less than 25% of the vote is defeated, one receiving more than 50% is adopted, and any receiving between 25 and 50% are sent forward to Conference as alternative positions, although in 2002 few alternative positions actually made it to the Welsh Conference and none to the Scottish. These processes are overseen by the respective Joint Policy Committees, drawn equally from the SEC or WEC and Scottish or Welsh Labour ministers.

The final stage of the Policy Forum process is the presentation of agreed reports to the Scottish or Welsh Party Conference. Whereas prior to devolution these conferences had a merely advisory function, they are now sovereign bodies determining – by a two-thirds majority of a card vote - which policy items shall form the Party programme and therefore be available for inclusion in the manifesto. However, the Conferences effectively function as that of a ‘final reading’ as fresh proposals cannot usually be tabled.<sup>4</sup> Conference delegates are faced with either accepting or rejecting forum reports in their entirety. As most Conference delegates are not privy to policy forum discussions, and with divisions between the party’s elite already having been aired in the privacy of the forums, they have so far approved all reports.

How significant are the Scottish and Welsh policy forums in making party policy? The official party view is that the forums are inclusive allowing all party stakeholders to

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<sup>4</sup> All Party organisations can submit one motion on a topic either not substantively addressed in reports to Conference or which has arisen since their publication. Conference Arrangements Committee determines whether motions meet the criteria which are then subject to a priorities ballot to decide which are to be discussed. Scottish Labour Party Rules 3(c).

contribute to a calm and reasoned policy process. Any individual or party unit can make submissions to either the national or relevant regional policy forum at any time and, in stage one consultations, even non-party members and groups can make submissions, and a number of interest groups have taken advantage of this opportunity to make their own submissions to the party. Thus, at the British-level, Kelly contends that the NPF allows for: ‘a conspicuous measure of party democracy’ as it reflects a new understanding ‘that unity can no longer be imposed from above, but can be achieved only by reflecting, and shaping, rank-and-file opinion’: ‘The trick, it seems, is to provide such democracy without sparking high-profile rows at the main party conference. The Tories, with their conference system, were the first to discover what the trick was. Labour, with its policy forums, found a better way of performing it.’ (Kelly 2001: 334).

Shaw, in contrast, argues that, while the NPF has important consultative and legitimating functions, its policy-making functions are largely just a ‘dignified’ part of Labour’s constitution. By its very nature, the Parliamentary leadership is bound to be paramount, permitting only occasional concessions (Shaw 2002; Shaw 2003). Thus in Scotland Hassan argues that the forums are ‘widely seen by party members as a top-down process, involving greater centralisation and management by the party leadership of relations with party members’ (2002: 148). Inevitably Scottish and Welsh ministers enjoy an authority and prestige greater than any other stakeholder at the policy forums. They are represented on all key bodies, notably the Policy Commissions and the Joint Policy Committees. They are well-placed to secure policies that are ‘deliverable, affordable and within the remit of a devolved administration’ (interview, MSP) as they can tap their departments’ knowledge and expertise. In the Scottish and Welsh policy forums ministerial advisors and Party officials are primarily responsible for the interpretation of submissions, the drafting of documents and the compiling of minutes. Ministers have the power of the drafter – the ability to shape the agenda and the parameters of debate.<sup>5</sup> As a result, the final reports despatched to Conference have, so far at least, very much reflected the preferences and priorities of administration leaders. The manifesto drafting process, too, is dominated by ministers. In Scotland, the Manifesto Development Team (comprising Executive ministers appointed by the First Minister, senior Scottish Policy Forum members and the Scottish Labour Chair) determined which policies in the party programme should be included in the manifesto. The preparatory work was mostly carried out by smaller groups chosen by the First Minister, Jack McConnell. Thus the manifesto very much bore their signature. Similarly, in Wales the JPF had responsibility for drawing up the manifesto but, in practice, ministers dominated the manifesto drafting process (Laffin et al. 2004).

## **Labour Party Centres of Power**

### *The SPLG and ALG*

Both the Scottish Parliamentary Labour (SPLG) and the Assembly Labour Group (ALG) operate very differently from the Westminster Parliamentary Labour Party (PLP), not least as they are much smaller than the four hundred plus strong PLP. MSPs and AMs frequently meet Ministers and are well aware of each others’ views. They are not divided into recognisable factions but are characterised by considerable policy consensus, with alignments

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<sup>5</sup> One stratagem followed - designed to anticipate potential difficulties whilst avoiding alerting critics - was to drop into a report an apparently innocuous phrase which could then be used to validate a policy initiative (interview, MSP).

reflect personal rather than ideological loyalties. In the SPLG the key divide is between McConnell supporters and those most closely associated with his predecessor, Henry McLeish. This line cuts across left-right affiliations but the key point is that ideological commitments have diminished greatly in strength. This, in turn, is primarily a function of the pronounced loss of confidence amongst members of the traditional left (interviews with MSPs). Again the Welsh party has traditionally been divided more by personal not ideological differences, to quote one of Labour's backroom staff: 'because the Group is so much smaller, the way the Group interacts is extremely important to the way things get handled' (interview, June 2002). The consequent group dynamics militate against serious factional infighting, although these dynamics did not prevent Alun Michael as First Minister from becoming isolated within the Labour Group and then effectively forced to resign. (Thomas and Laffin 2001).

### *The unions, local government and party activists*

How have these changes affected the other key power centres in the party, notably the trade unions and local government in Scotland and Wales? The British Labour leadership has used the new policy machinery to dilute the unions' role in decision-making, seeing union power as a threat. In contrast, the Scottish and Welsh Labour leaderships have good relations with the unions. Union leaders enjoy institutionalised access to decision-making centres and legitimated rights of consultation which contrast with the cooler, more detached relations prevailing in London. Equally, Labour ministers are less ready than their central counterparts to disparage unions as representatives of producer interests perennially at odds with the 'consumer' and 'national' interest. The decline of left-right cleavages has been important here, especially in Scotland, in removing the tensions around the relationship. In any case, unions are selective in their policy priorities, being primarily concerned with those issues that directly impinge on their members.

In Wales the role of the unions has been in sharper decline than in Scotland, one Welsh party official compared the present with 1980s when the WEC 'was full of the big trade union barons' (interview, July 2002). The unions have only limited representation on the Welsh Commissions and WJPC, as one party official explained, some unions, like Unison, used delegate-based meetings to decide submissions to the WPF, but few organised membership meetings to provide submissions (interview, May 2002), which reflected the situation in respect of the NPF (Labour Party, 2001: Appendix 5). One Labour AM observed that few unions were well organised in terms of their contact with the Labour Group or lobbying of the Assembly (interview, March 2003). It is also worth noting that Welsh Labour MPs were hardly unanimous over the unions' relationship with the Party, with one arguing that: 'we've valued the trade union movement in a way that perhaps other people elsewhere don't' (interview, December 2002), and another claiming that: 'I'm a kind of sworn enemy of special-interest groups and they include trade unions' (interview, November 2002).

In Scotland, the unions have proved more significant actors than in Wales. The unions (or, at least, the larger ones) are, unlike local parties, substantial organisations in their own right, with full-time officials, researchers and communications systems. Their representative regularly attended SPF meetings and frequently put in detailed submissions on matters relevant to them. A key organisation is the Scottish Trade Union Labour Party Committee which consists of representatives from trade unions in Scotland affiliated to the Labour Party. It liaises with the Scottish General Secretary of the Labour Party and the appropriate ministers in Westminster and Edinburgh. Union representatives use the forum to co-ordinate

their stance on relevant policy issues and encourage the formation of a joint trade union voice. This institutional connection, however, is less a cause than a product of the traditionally close bond between party and unions in Scotland. The two are so intimately interwoven at all levels of party organisation that it is simply inconceivable to imagine a divorce (interviews Party officials). Thus the relations between the unions and Labour ministers are much warmer than at Westminster with union leaders possessing a degree of access and established consultative status which contrasts with the hand-off attitude characteristic of the Blair Government.

Ironically, then, the only major policy dispute so far within the Scottish Labour Party has been on that has set ministers at odds with the unions. The dispute is over the Private Finance Initiative. (alternatively known as Public Private Partnerships or PPP). Under PFI a public authority contracts to purchase services on a long-term basis from a private sector consortium of construction companies, bankers and service providers, which provides finance and accepts some of the venture's risks. The consortium owns the facilities (usually for periods of 25 to 35 years) and supplies specified services for which the public authority pays rent. The Blair Government's determination to press ahead with the PFI – a policy originally devised by the Conservatives but only fully implemented after their departure from office – has inflicted great strain on its relations with the unions leading to one of only two (national) Conference defeats the platform has suffered since 1994 in 2002. The unions contend that not only are PFI-constructed facilities more expensive but the privatisation of services under the arrangement has led to a serious deterioration in pay and conditions of work.

The Scottish Executive has followed London in relying increasingly on PFI for its public sector capital investment projects in the building of schools, hospitals and prisons. This position was endorsed by draft SPF reports. In response, the public service unions submitted numerous amendments at the relevant policy commissions and the SPF itself seeking to disengage the Party from the policy and extensive discussions took place with the appropriate minister. An agreement was reached which allowed for services to be retained in the public sector where that sector could be shown to achieve best value for money, thus signalling (it appeared) that the Scottish executive was prepared to take a more flexible line than Westminster (interviews with Party and trade union officials, *Sunday Herald* 3 Feb 2002). Notwithstanding, a major clash took place at the 2002 Scottish Labour Party Conference in Perth when six unions, believing that Labour ministers had reneged on the earlier agreement, took the unprecedented step of voting against policy documents recommending the use of the PFI/PPP which were then only narrowly approved (*Daily Telegraph* 23 Feb. 2002, *Scotsman* 25 Feb. 2002).<sup>6</sup> This episode illustrates both the strength and limits of union power. The unions soon after did win agreement from the Executive that the conditions of employees transferred to the private sector via PFI agreements should not be inferior to those in local government. Yet the unions in Scotland no less than in England have been unable to derail the PFI juggernaut and the conflict will continue to rumble.

Local authorities form another important power centre within Scottish and Welsh Labour. Within the party policy forums local councillors have not emerged as a powerful lobby, despite the significance of devolved policy areas such as housing and social services to local government. For the most part local councillors have preferred direct access to the Scottish Parliament and Executive and Welsh Assembly rather than using formal party channels. Generally in Scotland councillors are seen to have failed to 'operate as a cohesive unit' and

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<sup>6</sup> The only significant union to back the plans was the engineering union, Amicus.

generally ‘punched below their weight’, and the organisation of Scottish Labour at municipal level becoming far more fragmented with, for example, the withdrawal of Glasgow from Cosla (Bennett et al. 2002). In Wales Labour local government is currently a more significant force than is the case in Scotland. Not only is the Assembly statutorily required to work in ‘partnership’ with local government, but ministers also have a greater sense of their dependence on local government for policy development and implementation, not least as the Assembly government has recognised the quality of service deliver as a vital issue (Laffin et al. 2002: 26-7). Key Assembly ministers, too, have been keen to woo support from Labour local government in pursuing their own personal political ambitions (Laffin 2004). Interestingly some Welsh MPs view the relationship with local government as problematic, cementing a ‘producerist’ interest in Welsh politics, as one observed: ‘I want to be an exception to those local government leaders ... who fight fiercely to defend the position they are in because they are in it, rather than because it has any merit’, and another commenting on the nature and quality of AMs commented: ‘if they come from local government and are afraid to kick against local government then you’ve got problems, because they won’t take them on’ (interviews, October 2000 and November 2002).

### *Relations between MPs and AMs and MSPs*

The relationships between MPs and MSPs in Scotland, and MPs and AMs in Wales, have often been difficult, not surprisingly given the novelty of the arrangements and the absence of established norms to regulate relationships. At devolution little thought had been given to how these relations should be organised. The relationship operates at two levels: formal institutional links and bilateral relations between MPs and MSPs or AMs sharing the same constituency. Formal liaison arrangements have been weak in both nations. The relationship between MPs and MSPs has varied widely across the country: in some constituencies, one MSP reflected, ‘relations have been very close and the two have worked together as a team but in others undoubtedly there has been a high degree of mutual antipathy’. The fact that most Labour MSPs and AMs are constituency rather than list representatives and that, because the Party holds so many Westminster seats joint occupancy is common has, to some degree facilitated co-operation – in a fair number of constituencies the two share constituency offices. In other cases, where they have separate offices, relations are less harmonious and in some instances the two are not even on speaking terms.

In Scotland, the nature of the devolution settlement gives a clearer role for the two levels of representative than is the case in Wales. Most Scottish MPs specialise in reserved issues, while MSPs have focused on devolved policy matters and jurisdictional disputes have been rare. Yet most representatives have been flexible in transacting constituency casework, aware that most constituents seeking help are either unaware of, or indifferent to the precise formal responsibilities of their representatives. In both nations conflicting role-conceptions have been a more common sense of tension. Pre-devolution MPs saw themselves as being the pre-eminent representative of their community and dominant personality in their constituency, but have suddenly been faced with others with an equal claim to community status and high profile constituency role. Some found difficulties in adjusting and maintained that, as members of Britain’s sovereign parliament, they should enjoy precedence. This attitude was, for obvious reasons, more common amongst the longer-serving MPs, much less so amongst those first elected in 1997 and 2001. The most persistent resentment amongst Westminster parliamentarians, particularly acute amongst those who (in private) had been hostile to the whole devolution project, has been their loss of public visibility. The intensity with which elected representatives struggle for media coverage can never be underestimated and the

Scottish and Welsh media give much greater coverage to MSPs and AMs than to their Westminster counterparts. As one MP reflected, many of her pre-1997 colleagues 'have not been able to terms with the fact that the media circus shifted from Westminster to Holyrood'.

The lack of an effective co-ordination mechanism between the two levels of representative has significant consequences for matters where co-operation is required. One example was higher education finance where formally devolved decisions taken by either Parliament inevitably had a knock-on effect, given that higher education in the across the three countries is so closely-inter-related. Thus the 2003 higher education White Paper's proposal to levy 'top-up' tuition fees in England had obviously serious implications for the Scottish and Welsh universities, yet the Labour party had no forum through which the matter could even be discussed. The self-denying ordinance that inhibited Scottish MPs from seeking membership of select committees dealing with devolved issues (e.g. Health and Education) actually institutionalised a neglect of Scottish interests. If here we found an echo of the 'West Lothian Question', Scottish Westminster has been happy to use their casting votes in matters of 'English' policy. The Westminster government only survived a backbench rebellion over the creation of foundation hospitals because Scottish backbenchers overwhelmingly rallied to it despite the fact that the policy would not be implemented in Scotland. Future questions will inevitably be raised about their role if Scottish backbenchers rescue the Government's highly contentious proposal for top-up tuition fees, which the Scottish Labour party has explicitly rejected.

The focus on elections and the electoral focus on service delivery, now a key feature of British electoral politics, leads to potential tensions. Welsh Labour MPs were especially concerned over the Assembly's ability to perform in key areas of service delivery and the electoral consequences for the MPs should the Assembly fail to raise the quality of service delivery. For them the perception is clear: 'what it comes down to is should there not be the same expectation of the right to care and other services, and should the same priorities not apply wherever you happen to be and whatever the administration [in the UK]?' (interview, June 2002). Many MPs mentioned the Assembly's performance on health as a particular concern. The performance of the Assembly in health, measured in terms of waiting-lists, is significantly below that of England. Many were critical of the 2003 reorganisation of the Welsh health service, concerned that the reorganisation reflected the political interests in the Assembly-local government relationship and had little relevance to the more urgent task of raising the Welsh health services performance. Similarly, Jon Owen Jones, the Welsh PLP delegate to the Assembly Labour Group, attacked the Assembly's limited use of Private Finance Initiative (PFI) schemes in health (Taylor 2003b).

### **Central-Periphery Relations within the Labour Party**

The early post-devolution period was associated with attempts by the centre to control the new devolved bodies. These attempts were apparent in the imposition of Alun Michael as leader of the Wales Labour Party, Frank Dobson as the Labour candidate for London Mayor in opposition to Ken Livingstone, and attempts by Blair supporters to shape candidate selection in Scotland (Shaw 2001). One major factor underpinning the attempt to maintain central control was the desire to ensure that nothing impinged on the election of Blair for a historic second term, duly delivered in 2001. As we have argued elsewhere the central-periphery relationship was more complex than many commentators at the time realised (Laffin et al. 2004). In particular, the imposition of Alun Michael reflected Blair's own high opinion of Michael (especially compared to Rhodri Morgan) but that imposition would have

been much more difficult if there had not also been strong anti-Morgan sentiments within the Welsh Executive (Morgan and Mungham 2000, p. 129, stress these sentiments). The style, too, of the then party General Secretary, Margaret McDonagh, may also have been a contributory factor (Laffin et al. 2004).

In any case, the Labour leaderships at the centre and the periphery do not have any sharp ideological differences. If the two were ever to drift apart ideologically, the continued viability of the present undeveloped Labour party system would become problematic. To illustrate the point there has been no evidence that London has sought to intervene in the leadership selection process in Scotland but this may, in part at least, reflect the fact that all three holders of the post of First Minister – Dewar, McLeish and McConnell – have been regarded as politically ‘reliable’. Where national British political figures – Blair as Prime Minister, Brown as Scotland’s most senior politician at national level – have sought to influence organisational decisions, for instance over the McConnell – McLeish leadership election or in senior appointments to Scottish party posts, it has been discretely, behind the scenes. The same applied to the contentious candidate selection contests prior to the first Scottish Holyrood elections (Shaw 2001). In general, the centre has been content that the Scottish and (once Morgan settled in) the Welsh leadership – McConnell/Morgan and their fellow ministers – should have prime responsibility for managing internal party disagreements.

In contrast, in the nomination process for Labour’s Welsh Assembly leadership and London’s mayoral candidate, where the leading contenders were deemed to be politically ‘unreliable’ – Rhodri Morgan and Ken Livingstone – there was heavy and sustained central intervention. It seems the prime reason (at least in the latter case) was the fear of the emergence of a pluralistic system of internal power within the Party. A key object of internal Party reforms has been to eliminate the NEC as an alternative centre of power. It would seem highly unlikely that the leadership would contemplate with equanimity the emergence of territorial power centres that may operate as bases for left-wing leaders to challenge the hegemony of the parliamentary leadership in the manner of the left-led NEC in the 1970s and early 1980s. Thus Labour’s metropolitan leadership might well become interventionist if a strongly left-wing leadership were to emerge in either nation.

As yet very few cases of serious friction with Westminster have occurred, primarily because all have broadly shared London’s outlook and definition of the devolution settlements. Though neither Scottish or Welsh Labour ministers have adopted New Labour language, they have presented any direct challenge to the New Labour project. They have not followed the market-oriented reforms cherished by the centre, such as foundation hospitals and specialist secondary schools, but even here they have presented their policy approach in pragmatic rather than ideological terms as a matter of adjusting policy to national circumstances and traditions. Where important policy divergences has occurred – as over higher education tuition fees and maintenance grants, and free personal care for the elderly – these have been presented (accurately) as the price to be paid for coalition with the Liberal Democrats.

One instance of a significant policy difference between Labour centrally and Labour in Scotland has been over Iraq. At the 2003 Scottish Conference – in the immediate run-up to the war - CLPs and trade unions submitted emergency resolutions opposing British military intervention in Iraq. This may well have been passed and although they would have no constitutional standing the result would have been politically embarrassing, underscoring rank and file opposition to Blair’s policy. Party officials insisted that the resolutions could

not be discussed on ultra vires grounds and the Conference Arrangements Committee ruled them out of order. According to the then Scottish Secretary, the rules were ‘absolutely clear’: only devolved policy issues could be included on the Conference’s agenda (interview, Helen Liddell). In fact the matter was more ambiguous since the rules are silent over Conference’s right to debate as against decide issues. <sup>7</sup> Unions who had moved the emergency resolution were angered by what was perceived as an attempt to block discussion. The outcome was an unprecedented decision, on the initiative of the five largest unions, to reject the CAC report. A compromise was hastily cobbled together, though the leadership succeeded in avoiding a vote <sup>8</sup>. The episode demonstrated both the reality and limits of central control. On the one hand, the Scottish Party’s premier body, Conference, was not master of its house: how it operated, what it could discuss was ultimately a matter for London. In theory, at least for in practice the centre had to accommodate to the periphery. The centre pronounced, but Conference refused to be bound and the inevitable outcome was compromise.

Nevertheless, the sense of party solidarity and strategic requirements of the party have over-ridden the differences. The party is underpinned by deep bonds, as Party officials told us: ‘It doesn’t matter whether you are devolved or not, what binds the party together is a set of values and they are enshrined in our new Clause 4’ (interview, June 2002) as well as a keen awareness of the need for a national, British perspective on electoral strategies. A good illustration is this quote from Rhodri Morgan:

Over the months as they go by until next May or June 2001 that is, the 14 or 15 months when we anticipate the elections will come, we will be not unhelpful you might say from the UK government’s point of view of being re-elected, . . . . We are conscious of the political realities and the timings and trying to help Welsh MPs be re-elected in marginal seats is as key to us as it is to them up there, leaving aside any personal interest I might have as my wife is one of them. (interview 28th March 2000)

## Conclusion

The picture which emerges from our research is, not unexpectedly, a blurred and complex one. But key trends in the new politics of devolved Labour can be identified. In both Scotland and Wales devolution was widely heralded as creating a ‘new politics’ in the two nations. The nature of any new politics hinges largely on how the Labour party, as the dominant political force in both nations, has responded to devolution. Notably the British Labour party did not follow the logic of governmental devolution but has itself remained undeveloped. Yet both Scottish and Welsh Labour parties have undergone significant change. They have moved from being traditional, centralised parties with a single hierarchical organisation focused on a dominant centre, an elitist or ‘one-partyist’ party (McAllister 1981), to pluralist parties with less hierarchical organisations and competing centres of power.

Devolution itself did not necessitate organisational change within the two parties. It might have merely embedded traditional style political elites in Scotland and Wales. The operation of two other factors meant that it did not. Firstly, the proportional representation electoral system adopted for elections to the devolved bodies has ensured that Labour would *not* become the perpetual government of Scotland and Wales. Secondly, the centrally-driven

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<sup>7</sup> Instead, John Reid (then Northern Ireland secretary) would conduct a question and answer session outside Conference.

<sup>8</sup> Ironically, an emergency resolution was also ruled out of order as the national Conference in September, which enabled the leadership to avoid a vote at a body was unambiguously constitutionally entitled to express a view.

organisational changes within the Labour party have had a significant impact – the forced widening of the recruitment pool for candidates has served to foster the generational shift in Scottish and Welsh politicians, producing more gender-balanced Labour groups with younger candidates, less indebted to party patronage and more professional in their political outlook. What these changes did, then, was provide a new body of professional politicians, better paid and better resourced than local councillors and responsible for setting the public services agenda, across substantial areas, in the old nations of the United Kingdom.

Where does power lie within these reformed Scottish and Welsh parties? And to what extent does the configuration of power exhibit elitist or pluralist features? Along a vertical dimension Labour party structure remains unitary. Devolution has not led to a devolved party organisation, although it has led to a devolved formal policy making system in the new, post-devolution policy forum processes. Party identity has over-ridden national identity in Scotland and Wales. No strong pressures have arisen within the Scottish and Welsh parties for a ‘federalisation’ of the British Labour party for several reasons. Firstly, the burdens of government have absorbed the attention of the new cohort of politicians, none of whom previously had any ministerial experience. Secondly, the Scottish and Welsh leaderships are not inconvenienced by the existing structures, hence the absence of political pressure to loosen the ties with the British party. Thirdly, so far party identity and solidarity has over-ridden national identity and though both nations have a more deeply rooted social democratic tradition and interests than is the case for England, as yet this difference has not created any political problems. As a result centre-periphery relations have been harmonious with the Edinburgh and Cardiff party establishments content with a division of powers and responsibilities which allows them substantial power over governmental matters even though London continues to have final responsibility for party matters.

At the horizontal level, the two parties have acquired new institutions creating a pluralist spread of rights and responsibilities. But formal pluralism has coincided with ministerial dominion in policy-making. In neither Cardiff nor Edinburgh have Labour ministers encountered major problems in securing acceptance of their policy agenda within their parties, with the noteworthy exception of PFI in Scotland. However, even here whilst the administration has proved more willing to accommodate to union pressure than its national counterpart, the policy in its essentials is still speeding ahead. Yet if the leaderships in the two nations are very much in the driving seat, their control is rooted in consent, more specifically in a high degree of elite consensus over major policy issues in all the key institutions which compose the party and the absence of the type of jurisdictional conflicts which have, in the past, characterised relations between parliamentarians and the wider party. Of particular significance, especially in Scotland where it has for long defined internal party politics, the left-right cleavage appears no longer to be a major factor structuring party alignments. By the same token, the constituency parties have been generally quite quiescent, though this may well reflect a serious diminution of grassroots activism which seems to characterise the party right across Britain. Finally, none of the three highly contentious (in intra-party terms) issues in the PLP - Foundation hospitals, top-up tuition fees and Iraq – have intruded into the politics of the devolved parties.

However centre-periphery relations might be reshaped if Labour were to be in government in Cardiff and Edinburgh – with all the advantages that access to governmental resources and prestige affords – but in opposition in London. In future, especially if a right wing Conservative party won power in Westminster, this left-right difference between the two nations and England is likely to be much more significant than nationalism. Equally, the

potential exists for the two parties – especially in Scotland – to adopt a more left-inclined political trajectory than in England partly because the gravitational pull of party competition is much more to the left, partly because the more proportional electoral system values all votes more or less equally rather than privileging the floater and partly because both share a more deeply rooted social democratic tradition and interests than England. Hence it may be that in the future the Labour party’s own constitutional and political settlement will come under increasing strain.

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